

A Study of Social Capital and Sustainability in the Canadian Tourism Sector

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DATE: APRIL 22, 2002

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EXECUTIVE SUMMARY

Tourism is an economically significant sector of the Canadian economy and holds great potential in terms of sustainable development. The tourism value chain is diverse and geographically dispersed, and in Canada the vast size and diversity of the country makes the tourism sector even more complex and fragmented. Tourist experiences rely on a multiplicity of interactions across various sectors. In order for tourists to experience specific outcomes various actors must work together. The networks, trust, and information sharing or 'social capital', among these actors will determine the cohesiveness of the tourism product and will directly effect the competitiveness of a nation's tourism product on international markets.

Canada is endowed with the physical and natural capital demanded by international tourists, however the lack of social capital in most tourism categories will impair a nation-wide tourism strategy. This is concerning given tourism's importance to Canada's economy and its potential to develop the country in a sustainable manner.

Various initiatives can be pursued to develop the cohesion and social capital necessary for competitive and sustainable tourism. These include action, leadership and initiatives on behalf of the Canadian Tourism Commission as well as action and leadership at the regional and local levels.

This report provides a context of Canadian tourism and develops a model for understanding the social relationships and sustainability initiatives in the industry, in order to discuss Canada's ability to develop a nation-wide strategy which is both effective and sustainable in the new economy.

The author would like to thank all of the interview candidates who participated in the study for their time and contributions. A special thank you to Dr. David Wheeler for providing the author with the opportunity to conduct this study, and for all of his assistance and contributions.

INTRODUCTION

The tourism industry is traditionally described as “a group of interrelated businesses that meet the needs and wants of people traveling away from home on a temporary basis”. ¹Canada is the 9th most popular tourism destination in the world² and has increased visitation of 15% over the past 5 years³. Tourism is becoming increasingly important to Canada’s economy and in 2000 tourism contributed \$21.8 billion to GDP and provided 546,000 jobs⁴. Internationally, the number of destinations competing against each other is on the rise. World trends indicate that tourist expectations are increasing and tourist tastes rapidly change. As such, to attract visitors, traditional tourism destinations constantly need to renew and invent tourism products. The World Tourism Organization (WTO) expects the tourism sector to grow 4.5% on an annual basis for the next 20 years. This growth is attributable to increasing wealth, high discretionary income and the increasing need to reduce stress among urban populations. International product demand is anticipated to grow in the rural, outdoor and heritage tourism segments. This study demonstrates that Canada has the natural and physical capital demanded by international tourists, however the social capital within the industry requires improvement for Canada to reach its goal, as a premier destination, in an effective and sustainable manner.

SCOPE OF THE STUDY AND METHODOLOGY

This report presents the findings of a study undertaken at York University between January and April 2002. The aim of the study was to assess the ability of the Canadian tourism industry to adapt and perform, more effectively and sustainably in the new economy on an international basis. To accomplish this, the constructs of social capital have been applied to the industry and conclusions have been drawn.

The study included interviews with various candidates, representing a broad range of interests in tourism, across governments, tourism associations, and private enterprises at the national, provincial and local levels. Some 34 candidates were contacted, an average of 3 times, and only 8 replied to the questionnaire. As such the sample from which primary research conclusions have been drawn is limited and is exploratory in nature rather than conclusive. However, the secondary research conducted provided strong supporting information from which conclusions were drawn. The questions posed are provided in Appendix 1. As well, a statistical summary of response rates and patterns is provided in Appendix 2.

Difficulties encountered were low response rates, obtaining responses that provided sufficiently meaningful detail, and respondents could not give suggestions on how to improve the current situation or difficulties facing the industry. As such, much of the information enclosed in this report is adapted from trade publications, journals, and research reports.

TOURISM: AN OVERVIEW

The tourism sector is highly diverse and is often characterized as fragmented due to the nature of the tourism product. The perceived value of a tourism experience, or the tourism product, is the result of many combined factors such as purchasing the trip, traveling to the destination, the type of accommodations, attractions, and entertainment experienced. Thus, the tourism experience happens in multiple environments along a geographically dispersed value chain. Burton and Volpe describe tourism as having eight nonexclusive sectors as follows⁵:

- Accommodations
- Food and beverage
- Adventure travel/ recreation
- Events and conferences
- Attractions
- Transportation

- Travel trade
- Tourism services

These sectors make up the value chain of the tourism experience in varying orders and under diverse conditions.

The WTO describes tourism products as occurring in clusters, which are groups of tourism resources within the value chain, whose integrated and coordinated activity contribute to providing customers with tourism experiences. These clusters occur at the local level, and compete with other regional clusters within the host country and among other international clusters. Please see appendix 3 for a visual representation of this concept. Due to this structure, without close cooperation between all key private and public sector stakeholders, a tourism cluster, whether regional or national, cannot either achieve higher efficiency in terms of performance or build competitive strategic positioning⁶. Thus in order for the tourist to experience a specific outcome, all of the actors must work together, otherwise the system will be self-organizing and the tourism product will lack cohesiveness. Given the industry's structure, the typology of social capital, which analyses the relationships and networks between individuals, firms or stakeholders, is particularly relevant.

SOCIAL CAPITAL THEORY AND THE STRUCTURE OF CANADIAN TOURISM

As tourism is a service sector many of its interactions and products are intangible. In this context, social relationships and interactions that build tourism resources and tourism products are critical to the satisfaction of tourists' demands. Prusak and Cohen define social capital as "the stock of active connections among people, the trust, mutual understanding, and shared values and behaviors that bind the members of human networks and communities to make cooperative action possible"⁷. Thus, social capital can be understood as the relationships among people that facilitate collective action and access to resources.⁸ According to Abbott et al, there are three key dimensions to social capital:

- 1) The structural quality of a relationship refers to the structure of the social network in which the relationship is embedded
- 2) The relational quality of the relationship deals with the levels of mutual trust and reciprocity
- 3) The cognitive quality of the relationship reflects the levels of shared understanding and goals.

Social capital makes a cooperative group more than just a collection of individuals achieving their individual purposes. Social capital bridges the gaps between people for present and future joint actions and successful collaborations. Networks play a prominent role in social capital discussions because social capital is about connections, and networks are how connections between people manifest themselves.⁹ Networks are people brought together by common interests, experiences, goals or tasks, and imply regular communication and bonds characterized by some degree of trust. Networks form because people need one another to reach common material, psychic, and social goals. Mutual aid and generalized reciprocity are common to all functioning networks. The basic tenet of almost all social capital theories is that a network is one of the most powerful assets, as it can provide access to power, information, knowledge, and to other networks¹⁰. As well, networks are necessary for collaboration, especially voluntary collaboration that does not rely on external incentives to encourage it.

In Canada, the development of a tourism product is not in the hands of one entity, it spreads across government agencies from the federal, provincial, territorial, coastal, heritage, marine and conservation authorities, to private enterprises and voluntary operations across the entire country. The roles of these entities differ, and each one contributes to the development of Canadian tourism products. As such, the synergies of networks will have direct implications on the quality and consistency of the Canadian tourism product.

The general roles of the public sector are to:¹¹

- establish a tourism policy

- assist the private sector in catering to tourist needs via research, business advice and planning assistance
- facilitate tourism development, in various regions, provinces or the country
- develop new products in partnership with the private sector
- focus on economic, environmental and social benefits to the region or country
- operate tourism attractions or parks

The roles of the private sector are to:

- own, operate, develop and manage industrial tourism
- cater to the needs of the traveling public
- promote individual business operations
- lobby and advocate through associations

The roles of the association sector are to:

- bring together various private actors to reach common tourism goals
- represent the interests of members, grouped by sector or a common interest
- establish voluntary codes
- to lobby on behalf of members

This structure entails that for Canada to develop a national tourism product, collaboration, partnerships and synergistic networks between these actors are of essence.

INTERNATIONAL DEMAND AND THE CANADIAN TOURISM PRODUCT

The driving force in tourism product demand is the demographic make up of international markets. The aging baby boomers with their relatively high disposable income will drive the present and future demand for Canadian tourism experiences. This group has an interest in nature travel, and is increasingly seeking activity-based tourism experiences such as golfing, hiking, sightseeing, walking, and skiing. Anticipated product demands are cultural/heritage tourism, soft-adventure tourism, ecotourism, Aboriginal tourism, and rural tourism. Canada is considered one of the best positioned countries in the world to provide these kinds of experiences due to its physical and natural capital.¹² A study of tourism supply found Canada to be the only country in the world where supply for a variety of outdoor experiences can grow to meet new demand.¹³ As well, Canada is uniquely positioned to provide

Aboriginal and rural tourism experiences due to its' history and demographic make up. Canada's eight product offerings are sporting adventure, wilderness-expedition, leisure-recreation, beach-recreation, heritage-culture, urban, resort, and scenic tourism¹⁴. These product offerings already provide the experiences demanded in the present and future markets. Moreover, Canada has always depended on the environment as a major attraction and selling feature to international tourists. Internationally the country is known for its clean, pristine lakes and underdeveloped wilderness areas. Thus, Canada's competitive advantage in the global market place is intricately linked with principles of environmental and cultural/heritage protection.

TOURISM AND SUSTAINABILITY

Given that Canada's comparative advantage lies in its clean, green image, and in its cultural and heritage products, it is necessary to look at Canadian tourism in a sustainability context. Sustainability can be understood as meeting the needs of today, without compromising the ability of future generations to meet their own needs. Sustainability seeks a balance between economic, environmental and social development.

In the tourism industry the concept of sustainability brings out a duality. On the one hand, tourism is often considered a sustainable industry because it can improve the quality of life for residents, while maintaining the quality of the environment and protecting resources for future generations to use and enjoy. Tourists use natural resources such as forests, lakes and rivers for recreational and sight seeing purposes. As such, tourism is likely to encourage higher levels of conservation and preservation of environmental and heritage resources. On a social level, tourism is considered a primary way to help diversify economies in resource stressed regions. Literature and research indicate that the tourism

sectors believe that their long-term investment goals can only be achieved if environmental protection and cultural and heritage preservation are pursued.

On the other hand, tourism by its own activities can result in high levels of resource consumption, energy use, pollution, waste and unbridled development of new accommodations and attractions. Large numbers of tourists in an area at one time can have significant environmental effects. For example the volume of people walking over ecologically sensitive areas can create erosion and damage to fragile ecosystems. In addition, mass tourism can have social impacts as areas become overcrowded, and local populations become resentful because community services and culture change. Tourism can also change the beliefs, attitudes, values and lifestyles of local residents and as such can change the cultural character of an area, depleting the cultural resource on which tourism depends. According to Burton and Volpe uncontrolled increases in the number of tourists to a particular destination will eventually lead to diminishing benefits to the community and growing local resentment which in turn can foster negative interactions between tourists and residents, leading tourism decline in the area.

Thus, poorly managed tourism may lead to adverse impacts on the very environmental and cultural resources upon which tourism offerings depend. As such, the development decisions made now will for decades affect the lifestyles and economic opportunity of residents in tourism destination areas. Many of these decisions are irreversible because once communities lose the character that makes them distinct and attractive to nonresidents, they lose the ability to generate tourist based income.¹⁵ Hence, it makes good business sense for the tourism industry to operate in an environmentally sound and socially sensitive manner.

Given the potential of tourism to create benefits and cause destruction to destinations, sustainability commentators have emphasized a forward looking form of tourism development and planning that promotes the long-term health of natural and cultural resources, thereby maintaining the foundations on which tourism destinations depend for generations to come. Concepts of sustainable tourism accept that tourism development needs to be economically viable in the long-term and must not contribute to the degradation of the social-culture or natural environment of destinations. The three basic practices of sustainable tourism are:

- 1) holistic planning and strategy formulation
- 2) preservation of ecological processes
- 3) protection of human and natural heritage development, in which productivity can be sustained over the long term for future generations¹⁶

Thus, to be sustainable and remain competitive the tourism industry needs to support sound regional development, and preserve natural and cultural assets to maintain the economic and social stability of destinations. In these contexts linking, social capital and sustainability in Canada can be studied.

CONNECTING CANADIAN TOURISM, SOCIAL CAPITAL AND SUSTAINABILITY

As mentioned earlier, the various sectors of tourism exist at a local or region level as clusters. Throughout a country and internationally there are many different clusters, which compete against each other for tourists. Thus, a nation such as Canada, would consist of various clusters potentially competing against each other. In order to develop a national tourism product the clusters need to be brought together such that they no longer see each other as competition but as partners working to attract international tourists away from other national clusters. For each individual cluster, national or regional, to outperform other clusters high cohesiveness and a consistent quality of the tourism product is necessary. This can be achieved if the clusters have high social capital or synergistic networks where members trust each other, practice reciprocity, share information and work together regularly.

Tourism is a complex and diverse sector of the economy. Different groups, regions, and objectives result in varying levels of social capital, business relationships and sustainability objectives. In order to understand the social capital and networks within tourism, some level of simplification is necessary. Based on the research conducted the analysis provided below is a model developed to reveal the patterns of social capital and sustainability in the Canadian tourism industry. The reasons for varying types of social capital in the Canadian tourism industry appear to be related to geographic orientation and operational objectives. As such, the concepts of social capital and sustainability in the tourism industry can be understood by segmenting the industry into 4 distinct categories: Local Traditional Organizations, National Traditional Organizations, National Sustainable Organizations, Local Sustainable Organizations.

1) Local Traditionally Motivated Organizations

This group occurs at the local or regional level, and is traditionally oriented. It consists of small to medium enterprises (SMEs) and local government authorities. The SMEs in this group is primarily motivated by profitability, return on investment, branding and promotions. The local governments have traditional objectives such as enacting legislation, collecting taxes, and implementing policies.

2) National Traditionally Motivated Organizations

This group occurs at a national, or Canada wide level, and has traditional orientation. The group consists of government bodies and tourism sector associations. The government bodies are federal in nature and enact legislation, collect taxes, and set national policies. The associations are representatives of their members' interests and they work towards lobbying efforts, represent members' interests in public-private sector negotiations, establish codes of conduct, and provide members with information about the industry.

3) National Sustainability Motivated Organizations

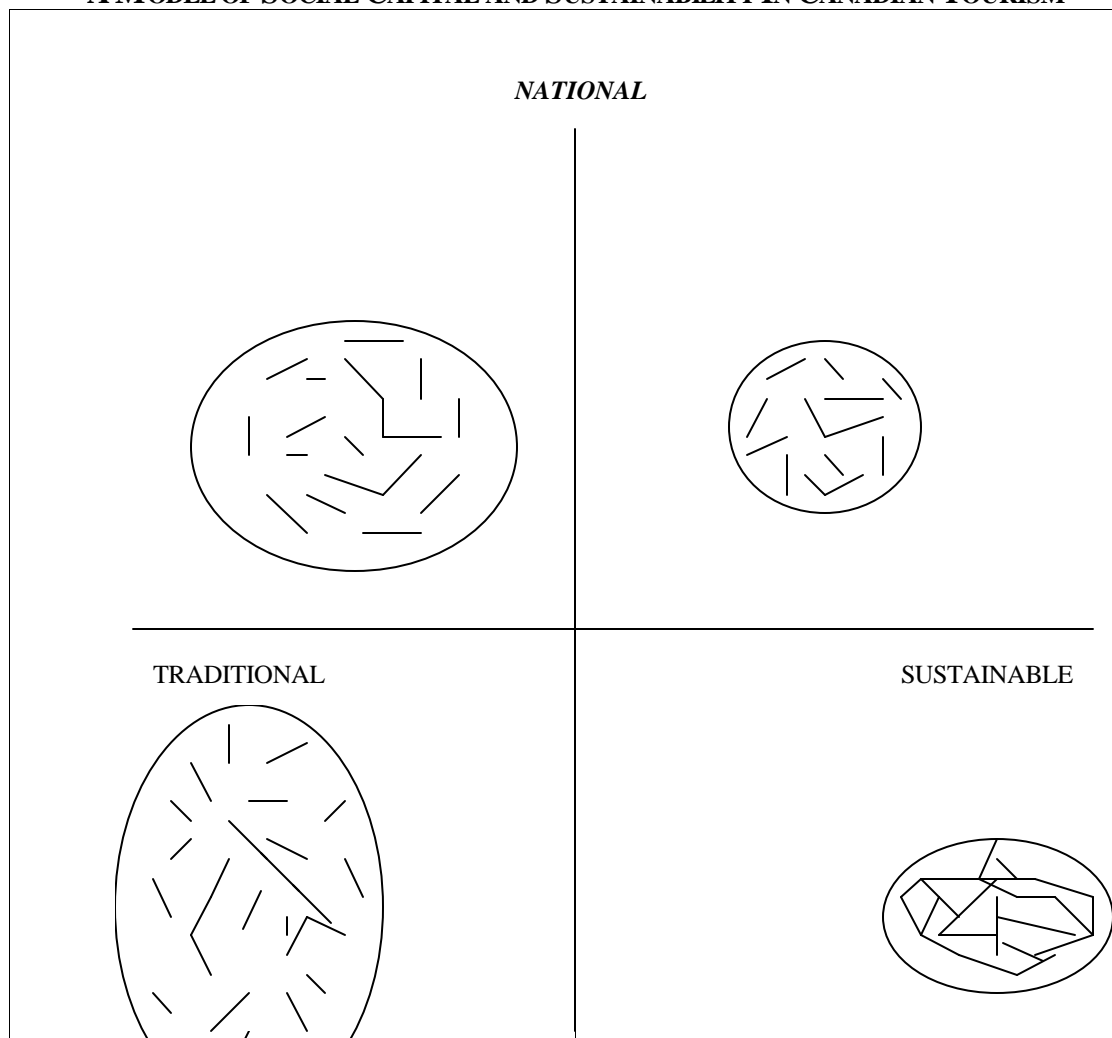
This group occurs at a national level and is motivated to achieve sustainability. To date most of these organizations are governmental, however one private association has been established. These groups are working to use environmental and heritage resources in sustainable ways while still contributing to economic development.

4) *Local Sustainability Motivated Organizations*

This group occurs at the local or regional level and is motivated to achieve sustainability. This group consists of SMEs and local government authorities, who are all working towards environmental, social, and economic goals simultaneously.

Within each of these groups there are different levels of social capital and differing perceptions of sustainability. The remainder of this report will discuss the findings within each group in detail. The model below offers a visual representation of these categories and a brief overview of their social capital and sustainability levels. The horizontal axis represents the spectrum of motivation from traditional (i.e. profits, ROI, branding) to sustainability (i.e. environment, social, economic). The vertical axis, represents the spectrum of geographic orientation from national to local. For example the upper left quadrant on the graph is interpreted as the national traditional segment.

A MODEL OF SOCIAL CAPITAL AND SUSTAINABILITY IN CANADIAN TOURISM



- The upper left quadrant represents the *National Traditionally Motivated Organizations*, the upper right quadrant represents the *National Sustainability Motivated Organization*, the lower left quadrant represents the *Local Traditionally Motivated Organizations*, and the lower right quadrant represents the *Local Sustainability Motivated Organizations*.
- The size of each circle indicates the relative number of actors in each respective category
- The intensity of connected arrows represents the degree of social capital within each category.
- The locations of the circles relative to the properties on the horizontal axis indicate the degree of traditionalism or sustainability in each respective category.

LOCAL TRADITIONALLY MOTIVATED ORGANIZATIONS AND SOCIAL CAPITAL

Local traditionally motivated organizations are the most important segment in the Canadian context. In Canada there are 158,000 privately owned tourism operations, 99% of which are SMEs¹⁷. Thus, the views, attitudes, and social capital within the SME group will play a significant role in determining whether or not Canada can develop and implement a nation-wide tourism strategy. There are various patterns exhibited in this category, however the most revealing is that members of this group see tourism as highly fragmented and intensely competitive. Canada is a vast country, which causes these operations to be faced with challenges of remoteness, geography, the extremes of seasonality and lack of economies of scale due to size. Most operators are struggling to provide the overall product demanded internationally by experienced and knowledgeable travelers. With limited resources SMEs have problems keeping abreast of numerous issues from trends to factors for success, from marketing to operational efficiencies, to sustainability.¹⁸ This category, complains that attempts at partnering and joint ventures do not work, either because members are too time constrained, too secretive with their competitive information, or have differing goals and visions. Research indicated that this group suffers from difficulties in contacting other tourism businesses and negative reactions to proposals for collaborative efforts. As well, the SMEs had difficulties with publicly available industry reports which

appear complicated and time consuming to study. The group also feels that there is a high level of buy-in to become part of any larger group beyond their local cluster.

However, the category notes that members in their regional clusters do work together when there is a negative effect people want to solve such as lobbying the government for lower tourism taxes. There is also a low level of knowledge sharing throughout this group, unless they are brought together face-to-face at purchased workshops, in which case members are willing to share experiences but not information deemed “competitive” in nature. When asked if there should be a national strategy SMEs were against the concept, and saw it as taking away important operational aspects of their business such as marketing their uniqueness. There was particular resentment of the national branding campaigns attempted by the Canadian Tourism Commission, because the ads were “general in nature and not representative of the offerings in the local area”. On the other hand, local government authorities thought that a national strategy would be helpful in attracting people to Canada first, however, this group emphasized that local authorities are necessary for attracting people to their specific region.¹⁹

Given these findings there appears to be very low levels of social capital in this group. Without some foundations of trust, it is impossible for social capital to develop. In this case, there appears to be limited trust, information sharing, and even contacting among members in local clusters where traditional objectives are involved.

LOCAL TRADITIONALLY MOTIVATED ORGANIZATIONS AND SUSTAINABILITY

Regarding sustainability, the prominent response in this group was that “environmental protection is important because tourists do not like to see cut down trees, a dirty harbor, or destroyed nature”. As well, the environment was seen as important because it can attract tourists to the region. Studies undertaken on environmental management in SMEs demonstrated awareness about

environmental issues but highlight that this group lacks the resources and knowledge to respond adequately.²⁰ Interviews indicated that the environment is a concern for some groups and not for others in the cluster. Almost without exception the environment was seen important for eco-tourism operators. The group also noted that environmental issues are confusing, and complex to deal with because of the adversarial relationship between operators and environmental non-governmental organizations (ENGO) who want to protect the environment. None of the members of this group have been involved in sustainability issues, although many of them could discuss, by word of mouth, another region or small groups within their cluster trying to work towards environmental goals.

Some regional development agencies have taken an explicit interest in sustainability due to its potential contribution to the sustainable development of a region. These agencies are the Atlantic Opportunities Agency and the Western Economic Diversification Agency. However, research indicates that these agencies have been remotely successful in implementing sustainability goals into the development of regional clusters. A study conducted by Halme and Fadeeva found that barriers to the success of sustainability adoption in networks were, conflicting goals, false expectations, low levels of trust and low stakeholder involvement. These are all conditions, which currently exist in the social networks of Canadian local traditional organizations. Thus, it is questionable if this group can pursue sustainability goals until synergistic social capital is established.

Finally, tourism lags behind other industries in using environmental management tools. At the local traditional level there have been few developments in this area. However, there has been a move towards eco-labeling in Canada at the regional level with Saskatchewan developing the Horizons Quality Seal for operator accreditation in 1994. The areas examined for accreditation include interpretation and education, aesthetic client environment, environmentally friendly foods and

accommodations, local traditions and cultures, client safety, and adherence to laws and policies.²¹ As well, there is a private sector brand called the Wilderness Spirit, which has been developed by a group of consumer product marketers, and the categories of the brand standards include nature-based experiences, accommodations, facilities, services, equipment, safety, environmental sensitivity, community sensitivity and product quality cycle.²² At the local traditional level examples of sustainability initiatives are few and far between. This may be the consequence of several factors including the low social capital and stakeholder involvement in this category.

NATIONAL TRADITIONALLY MOTIVATED ORGANIZATIONS AND SOCIAL CAPITAL

Governments throughout the world have recognized the networking problems prevalent in tourism due to its diffused and fragmented nature. Ways of overcoming the problems mentioned above have been sought in various countries, with tourism associations and national governments promoting inter-industry cooperation. The case is no different in Canada, and the federal government has recognized the difficulties facing regional clusters in terms of working within their own group and with others clusters. In the 1990s the Canadian Tourism Commission (CTC) was established as a collaborative venture to involve all sectors of the tourism industry and the federal and provincial/territorial governments towards creating a common Canadian tourism product.²³ The CTC is a public-private partnership whose mandate is to plan, direct and implement programs that generate tourism to and in Canada. The CTC establishes partnerships to undertake joint advertising and promotion internationally, macroeconomic research, industry and product development activities thereby removing barriers to growth and encouraging development of products to meet international demand. Partners include: departments of government at every level, destination management organizations and visitor bureaus, major transport carriers, major hotels and resorts, businesses in food and beverage,

recreation and entertainment, travel trade wholesalers, operators, travel agents, museums, theaters, parks, wilderness attractions, SMEs, and other non-tourism industries. The priority of this national agency is to partner with private industry for a vibrant tourism industry. Given, the CTC's role and extensive partnership networks one would expect national social capital to exist, and it does to some degree, however as shown below, the potential of the existing social capital to benefit the industry is rather low.

In 1998 a study entitled *Partnership Satisfaction* which rated the relationship of partnerships with the CTC was conducted. This study, along with two interviews conducted in this category, revealed the trends discussed herein. On a positive note, the CTC is seen as a major gatherer of information that shares information with industry thereby allowing operators to adapt to changing markets. However, interview candidates indicated that the information contained in these reports is catered to the executive level of comprehension, a proficiency level that SMEs do not see themselves as falling into. As well, the majority of partners see the CTC partnership as the only way industry can tackle a market as large and diverse as America, Canada's most important market²⁴. Benefits of partnering with the CTC were a broader exposure geographically, broader audience coverage, and involvement in programs they could not normally afford.²⁵ Also, the CTC was seen as helping bring partners who would not have normally collaborated together. The CTC also offers product clubs that are intended to enhance the opportunities in leveraging new instruments for product development. The product clubs emphasize cooperation between industry, government and SMEs to enhance the opportunities for leveraging new investment for sustainable tourism and product development

Despite these attributes to the partnerships and the CTC itself, there are many individuals who are not satisfied with the CTC. Most of this dissatisfaction is found among SMEs, which represent

the largest portion of the Canadian tourism market, thus their perceptions are significant to determining if social capital can be built on a national level.

First, the condition for membership with the CTC was deemed to be money, as indicated by the comment “love the concept of the CTC but the partnership isn’t what we would really like. Cost is the issue. We can’t afford to be involve in a lot of their programs despite the different levels of buy-in.”²⁶ As well, interview candidates noted that the cost of membership is forbidding and the fact that they do not get to meet face-to-face with the CTC is a deterrent to their buying into the CTC circle. SMEs and local authorities do not feel that the CTC understands the mentality of their markets or their regional character and as such a relationship with the CTC is seen as ineffective to improving their industry. As well, there are complaints, mostly from SMEs, that the CTC is skewed towards national organizations or the big players. This is attributed to the high costs to buy-in, the types of markets selected, the media selected, the broad base with no focus, the limited knowledge of products, and the lack of balance in representing regional interests. Partners complained that there was too much bureaucracy, small numbers of people making strategic decisions for industry, inadequate participation of key players such as SMEs, and that the top-down approach of the CTC does not work.²⁷ Finally, partners and SMEs complained that there are no clear lines of communication, no attempt at regular contact by CTC thereby rendering communication one-way. As well, there were complaints that the CTC is impossible to get a hold of, this was confirmed by primary research where 50% of the CTC affiliates’ public information was incorrect or not available.²⁸ It also appears that affiliates with the CTC are apprehensive in sharing sensitive information, as 67% of the people contacted in this group were unwilling to participate in interviews because the questions involved the CTC. These findings indicate that a low level of trust may be prevalent in the group. As well, the CTC is perceived as having

excellent access to a diverse network and information, but it is not sharing the information with partners or SMEs in general.

Other national traditional organizations include associations, such as the Tourism Industry Association of Canada (TIAC), Canada Food and Restaurant Association, and Association of Canadian Travel Agents, all of which represent members' interests on a national level. These associations belong to the CTC network of partners, and represent a diverse set of interests. They believe that industry can work together for lobbying efforts, and forming codes of conduct, but they see the formation of a national strategy as an impossible endeavor due to the diverse set of interests and stakeholders involved across various regions and sectors. Trust among the members in these organizations is considered low when sharing competitive information about clients, products or strategies, however people are willing to share experiences and information when public issues are involved such as lowering tourism tax. In addition, information is available but seems inaccessible to the largest segment of the tourism industry, the SMEs. As well, networks appear inclusive with high levels of buy-in, catered to a minority of large players.

These insights reveal that social capital may exist among a minority of large players, but is very low outside of that network. The failure to involve all stakeholders results in a gridlock to achieving a national strategy and even creates a resentment within excluded groups. Given this context, forming collaboration between regional clusters to create a large national cluster in a traditional framework will be extremely challenging, as there is a lack of synergistic and accessible networks at the national level.

NATIONAL TRADITIONALLY MOTIVATED ORGANIZATIONS AND SUSTAINABILITY

With respect to sustainability, national government agencies, CTC affiliates, and national associations all recognize that sustainability is very important for the industry. This category recognizes

that the long-term growth and prosperity of Canadian tourism development depends on a balance between tourism development and maintenance of Canada's physical and cultural environment. The federal government has disseminated an Action Plan for Tourism and Sustainable Development to provide guidelines on retaining the integrity of environmental and cultural resources. As well, the CTC's mission and vision statements clarify the federal government's position with respect to sustainability and tourism, and are as follows:

The CTC Vision: Canada will be the premier four-season destination to connect with nature and to experience diverse cultures and communities

*The CTC Mission: Canada's tourism industry will deliver world class cultural and leisure experiences year round, while preserving and sharing Canada's clean, safe and natural environments. The industry will be guided by values of respect, integrity and empathy.*²⁹

The common branding strategy developed by the CTC has a distinct emphasis on the environment and Canada's cultural heritage and contains the tag line, "discover our true nature". The CTC product clubs include winter tourism, cultural and heritage tourism, adventure travel and ecotourism, all of which incorporate principles of sustainable tourism. The CTC also publishes various benchmarking publications, one of which provides industry with sample cases of the best practices in sustainable tourism. These publications are intended to allow SMEs to discover the practices of others, so that they do not have to reinvent the wheel themselves. However, as noted above, many SMEs find these reports catered to an executive level and inapplicable.

There has been no consistent approach to eco-labeling on a national level in Canada, some organizations are trying to tackle this issue and will be discussed in the *National Sustainable Organization* section below. At the national traditional level TIAC joined with the National Round Table on Environment and the Economy in 1990 to initiate dialogue on sustainable tourism. The result

was a voluntary Code of Ethics and guidelines for sustainable tourism which were directed at travelers but more particularly at industry and segments of industry including ministries and associations. Buckley summarizes the unique characteristics this code to include:

- codes for both tourists and operators
- publication in English and French
- guidelines related to the natural environment and social and cultural perspectives
- and guidelines to expand the code in five industry sub-sectors including accommodations, food services, tour operators, ministries and industry associations.³⁰

Unfortunately, the guidelines have not been as widely disseminated by industry, as originally hoped.³¹

What has happened is a number of fragmented efforts at the local level such as Codes for Whale Watching, the Oceans Blue Foundation of Vancouver and other efforts which by their characteristics fall under the *Local Sustainable Organization* category discussed later.

The difficulty in implementing sustainability strategies by traditional national organizations may be the consequence of many factors, however the lack of social capital at this level may play a significant role. A WTO study on public-private sector cooperation found that national governments around the world have not been very successful in setting quality standards especially in relation to environmental standards or eco-labels. The same study revealed that national governments have not helped communities help themselves. Yet, national organizations are viewed as necessary for initiating and establishing sustainability discussions between industry, ENGOs and local communities. The WTO respondents said that the networking approach involving commitment from different players, including national organizations is increasingly critical to ensuring the development of sustainable and competitive tourism products. As such, the lack of social capital at the national level may hinder Canada's ability to remain competitive in international tourism markets and to develop sustainable tourism products.

NATIONAL SUSTAINABILITY MOTIVATED ORGANIZATIONS AND SOCIAL CAPITAL

There are various national organizations that are concerned and work with the tourism industry to address issues of sustainability. Most of these organizations are federal ministries, however there is one national private sector association, the Sustainable Tourism Association, which is working towards sustainability in tourism at the national level.

At the federal level there are various agencies involved in sustainable projects which benefit the tourism industry. These include: Parks Canada, Environment Canada, Attractions Canada, the Department of Canadian Heritage, the Ministry of Natural Resources, and Ministry of Sustainable Resource Management. Through the above agencies, the federal government tries to foster awareness in the tourism industry about a balanced environmental and social approach to development. For example, Parks Canada's mission is to ensure that Canada's national parks, national historical sites and related heritage areas are protected for this and future generations.³² The agency publishes guides of the *National Parks and National Historical Sites of Canada*, and distributes them to tour operators and tourists.

However, interviews and literature indicated that these are highly bureaucratic, and do not use the CTC to establish partnerships. They function mostly as individual silos, with their own mandates, policies and objectives with regards to sustainability. As the agencies are not geared to tourism their goals and objectives are often different than those of the tourism sector. The tourism industry and these authorities and tour operators are different in many ways, they operate according to different values, timetables, and interests. For example, Crown Land custodians, such as Parks Canada, often have interests that conflict with those of the tourism sector. These custodians want to protect the natural resources and see mass tourism as disruptive to the environment they are trying to protect. The

authorities and tourism industry see each other as competing against each other for the same land areas.³³ There is a lack of trust among these agencies towards tour operators and their practices on environmentally significant lands. In most cases, the authorities see tour operators, as profit driven without a concern for the environment and as such distrust is widespread.³⁴ Generally, these authorities tend to work with the tourism industry, when government budget cutbacks leave them with no other choices but tourist expenditure to meet the costs of maintaining the lands. Heritage and cultural authorities are also concerned about the negative effects mass tourism can have on the resources they are trying to protect. As such, tourist activity is viewed as something that needs to be monitored and controlled by the authorities because the industry has a short-term outlook and would deplete the resource for short-term profits.

These perspectives and relationships indicate that there is a limited social capital and synergistic networks at the national 'sustainable' organization level with respect to tourism. This is unfortunate because the tourism industry and the authorities have much to gain from a relationship. For example, trusting and synergistic networks could give tour operators access to natural and cultural resources and agencies could have access to financial support. However, issues of trust, closed networks, and different goals and objectives all hinder the ability for these groups to derive benefits from a relationship with each other.

On the association and private sector end there is very little evidence of national sustainability initiatives. One organization, the Sustainable Tourism Association of Canada is trying to develop environmental management tools for the industry. Currently, they are working to develop a National Sustainable Tourism Certification but do not have a membership drive to date. Standards have been developed for activities related to eco-tourism, nature tourism and adventure travel companies.³⁵

The organization anticipates that standards for the other tourism sectors will be developed soon. The certification program aims to reduce tourism's environmental impacts, give consumers the mechanism by which to assess the environmental and social ethics of the company they choose, to encourage tourism business to work in partnership with communities and local cultural groups, and for tourism business to employ and train local community members who wish to work in the industry.³⁶ The organization is new and as such has had limited interaction with the industry and was unable to provide relevant information regarding social capital relations for this report. However, the organization is positive that industry can work together on a national strategy, especially on creating a national sustainable certification. Moreover, the organization feels that a national strategy on sustainability is very important to Canada, especially for those organizations that want to strive towards sustainability and implement environmental management tools. The organization notes that key challenges to its objectives are the industry's fragmentation, and the fact that sustainability issues differ from region to region, and are defined differently across different groups. As well, it is questionable if certification will lead to greater consumer understanding of sustainability issues in tourism. Certification programs can lead to increased consumer confusion as organizations that do not meet the certification criteria become excluded despite having environmentally and socially sound practices. Nonetheless, it appears that national private sector initiatives are in the beginning phases and it is preliminary to judge what kind of social capital exists in the group, although the general sense is that enthusiasm and optimism are high. To date, the general sense from the national sustainability organization segment is that social capital is low and needs to be developed, especially if sustainable tourism objectives are to be achieved.

LOCAL SUSTAINABILITY MOTIVATED ORGANIZATIONS AND SOCIAL CAPITAL

Although no direct interviews were conducted with local sustainability driven organizations, the CTC has published a benchmarking guide for Canadian tourism operators called *On Route to Sustainability: Best Practices in Canadian Tourism*. This publication provides various case studies across the accommodations, heritage and culture, eco-tourism, tour operators, and attractions sectors and across operations of various sizes and public/private affiliation. All of the case studies have been successful at implementing various goals towards sustainable tourism. These studies demonstrate a sample of what is currently being done by local sustainable organizations in the tourism sector. In addition, this category has the highest level of social capital compared to the other three discussed above.

There are various distinct patterns throughout all of the case studies, which are important in the context of social capital theory. First, all of the case studies occur at a local level, whether at the organizational level or political boundary level, and none of the presented cases have a national or multi-cluster dimension. One of the clearest patterns is that all of the initiatives whether started by private enterprises, government, or voluntary/community groups involved strong partnerships with all of the relevant stakeholders to the undertaking pursued. The relationships between the stakeholders are characterized by empowerment, strong two-way communication patterns, regular face-to-face meetings, high levels of motivation and commitment among all parties involved and strong levels of support and involvement. As well, in all of the cases presented there was high enthusiasm, optimism and cohesiveness among stakeholders and partners. It is also interesting to note that trust and sharing of information was considered of outmost importance in all of the projects and became an unstated norm for all of the parties involved in the projects. In many cases, but not all, choosing sustainability related

projects was the only viable choice, because the regions had been devastated by natural resource collapses and economic devastation, with tourism product development viewed as the only way to bring growth without further environmental and cultural destruction. These situations brought very high levels of motivation, commitment, resource pooling and pride to those involved.

Local organizations with sustainability concerns, whether community or company initiated, appear to be the segment of the tourism industry that is most synergistic from a social capital perspective and most successful from sustainability perspective. According to a WTO study entitled *Sustainable Development of Tourism: A Compilation of Good Practices*, around the world 80% of sustainable initiatives or projects in tourism are local or regional³⁷ and the major factors that seem to have contributed to success of sustainability projects are:

- Local community and stakeholder involvement in the planning, development and management of the projects (40% of cases)
- Cooperation among different partners in the pursuit of the project's objectives (36% of cases)
- Environmental commitment of the project's promoters (36%)
- Continuous monitoring of the projects performance (36%)

Similar causes of success were found in the Canadian context. Thus, it appears that developing sustainable tourism products is a viable strategy for local regions and can be highly successful in economic, social, and environmental contexts so long as the elements of social capital are present. From the research conducted it is unclear if social capital is a precondition to sustainability initiatives or if the relationship is vice versa, this could be a starting point for further research.

THE CASE FOR SOCIAL CAPITAL DEVELOPMENT IN CANADIAN TOURISM

SOCIAL CAPITAL AND COMPETITIVE ADVANTAGE

The above mentioned relationships indicate that the industry overall has low levels of social capital and fragmented approaches to sustainability. With the exception of local sustainability

organizations the industry does not appear to be prepared on a relationship level to deal with the complex competitive realities of the international tourism market place, despite the country's bountiful environmental and cultural capital. This situation is concerning given that tourism is an economically significant industry, expected to grow faster than overall GDP over the next 20 years.

In today's highly competitive tourism market innovation is of fundamental importance to industry survival. Trust based relationships are fundamental to spurring innovation, enhancing effectiveness and efficiency. Innovation and effectiveness require shared knowledge, interaction and trust.³⁸ A WTO study found that private-public sector cooperation and collaboration with different stakeholders increases product innovation, diversification and competitiveness.³⁹ The study also found that public-private cooperation is growing rapidly all over the world in the tourism industry, and more ENGOs and communities are becoming involved in tourism cooperation. A Tourism Canada Study found that there is a need for a fundamental operational shift if Canadian tourism is to be competitive in the new economy. This shift will be from a self-sufficiency model to a business network model characterized by extensive partnerships and networks. Through networks SMEs can achieve lower costs, higher efficiency and effectiveness than would have been achievable alone. Jamal and Getz argue that collaboration in tourism networks provide individual benefits such as increased access to resources, the reduction of uncertainty in the operating environment, and greater personal satisfaction. Mutual benefits are the creation of a consistent tourism product that improves the destination's competitive advantage⁴⁰. Given these findings, if Canada aspires to build a tourism industry characterized by effectiveness and highly innovative tourism products, some level of social capital must be built.

Social capital in terms of information sharing, trust, collaboration and stakeholder involvement are lacking in the majority of categories identified. Without this social capital Canada on a

national level may have difficulties in innovation and flexible reaction to the changing tourism environment. Benefits arising from high synergistic social capital in the tourism context include, an increase the social acceptance of organizations, plans or policies via stakeholder involvement thereby rendering implementation easier, increased knowledge, improved co-ordination, and pooling of resources. Synergistic networks provide opportunities to gain new information, build new or existing markets, achieve higher levels of efficiency, develop a competitive advantage, and create new products and services.⁴¹ In addition, the competitive advantage cohesive networks can achieve can be a door way to the adoption of economic, social and environmental sustainability principles.

SUSTAINABILITY AND SOCIAL CAPITAL

In recent years it has become evident that individual organizations alone cannot move society towards sustainability⁴². The Bruntland Report on Sustainable Development recognized that partnerships and collaboration between stakeholders contributes to sustainable development. Such collaboration can only exist where trust, access, information sharing and knowledge are present in networks. Moreover, a WTO study found that environmental and cultural/heritage protection are the two areas in which cooperation between stakeholders is considered essential. A lack of careful joint planning, such as including uncontrolled development of tourist facilities and poor management of resources, can threaten tourism growth and attractiveness. Such non-sustainable practices destroy the very attractions that the industry sells; local cultures, heritage and the natural environment⁴³. A majority of tourism networks described in sustainable development literature are cross-sector initiatives that often involve representatives from industry, government and the voluntary sector⁴⁴. Halme and Fadeeva note that the cooperation is needed in industries that involve relatively large numbers of small actors with few resources if sustainable development goals are to be achieved.

However, as noted in the Canadian tourism industry, social capital is still underdeveloped due to many geographic, organizational, and political constraints. It will take concerted effort from many actors to ensure networks towards sustainability are developed at the local and national level. The literature indicates that collaboration among a range of stakeholders including non-economic interests might promote consideration of sustainability concerns in tourism. Also, involving stakeholders from several fields of activity and with many interests, can integrate holistic approaches to tourism policy making and development⁴⁵. The future trends in the tourism industry identified by experts are:

- 1) The physical environment is taking center stage in tourism development and management; furthermore there is recognition that there are finite limitations to tourism development in terms of both physical and social carrying capacity of destinations.
- 2) Resident responsive tourism is the watchword for tomorrow; community demands for active participation in the setting of the tourism agenda and its priorities for tourism development and management cannot be ignored⁴⁶.

Sustainable development means concern with the maintenance of environmental capital and the maintenance and enhancement of social and economic capital. To fulfill the sustainable tourism goals decision making process will need to be more inclusive of the full range of values, opinions and interests that surround tourism developments.⁴⁷ Given the federal government's desire to develop tourism sustainably, the inherent need of the industry to be sustainable to maintain a competitive advantage and the growing competitiveness in the international tourism environment, a strong case for the development of social capital in the Canadian tourism sector can be made.

OPTIONS FOR TOMORROW

What develops and holds networks together are trust, shared interests, and joint work.⁴⁸ Common interest, goals, collaboration, interpersonal and informal relationships with a long-term perspective are critical to synergistic networks. Moreover, clear lines of responsibility, compatible partners, commitment of key players, trusting relationship between players, good communication flow

with a willingness to share confidential information, and contribution by all partners are also important to synergistic networks. In many ways these elements are lacking in the Canadian tourism industry. These characteristics make collaboration, trust building, and networking difficult to foster at a national level.

However, the CTC is strategically positioned as an overarching player through whom various members can interact. To foster trust among its members, the CTC and its affiliates must become trustworthy themselves and tell other participants what the benefits of a relationship with others can bring to their operations. It is recommended that the CTC move beyond its traditional role as a marketing, research and product driven organization, to one which fosters active collaboration between members in the industry as well. The CTC has many connections, to many players, but seems to exclude SMEs, the most significant segment of the industry. As such, it is recommended that the CTC remove the barriers to participation of the SMEs by providing practical assistance and information that is driven towards the needs of SMEs and not just executives, thereby increasing every sectors access to information and knowledge. If the CTC can become accessible to all relevant stakeholders in the industry, and provide them with opportunities to interact via virtual and face-to-face interaction the potential for networking will increase. This can be the starting point for getting people to work together and start building the necessary social capital lacking in the industry. Due to the diversity of the Canadian tourism industry, it is probably not possible to bring all stakeholders together to a common goal. However, there are various segments, which could benefit by coming together by partnerships, workshops, conferences and similar events. There are various constraints the CTC will face in bringing people together. These include, the vastness of the country, the diverse range of interests, low budgets, varying schedules, and the time and effort required for networks to grow.

The importance of the local level should not be underestimated in the Canadian tourism context. It is questionable if an overarching leader such as the CTC is a solution to building social capital in Canadian tourism due to the complexity and fragmentation of the sector. Due to Canada's vastness and diversity it is more likely that at the local level commonalities can be found among various groups. It appears that the potential for forging networks and building social capital is stronger at the regional level and local level. A structure similar to the CTC form, mentioned above, at each regional level may be more relevant to building social capital within each regional cluster before any national clustering can occur. Here a voluntary or government agency could be established as a place to go for all industry stakeholders who want to network with others. This forum should not be inclusive or expensive to join for even the smallest stakeholders, and it should have opportunities for face-to-face interactions and knowledge sharing. It is unlikely that people will initiate trust, knowledge sharing and interaction without some form of exemplary leadership, and as such the body formed to bring these people together will have to be committed in terms of time, money and practicing the factors which make social capital cohesive. Under this structure the local agency role or CTC role may be to provide the industry with a shared vision, empowering the local level to self-organize and achieve those objectives individually, rather than the top-down approach attempted in the past. Empowerment of actors and facilitation of networking around a common vision by an overarching local or national authority may be more successful at building social capital in the sector than a top-down, often resented, approach.

It may be too much to expect competitors in regional clusters to share information regarding their customers with competitors, however, common goals such as protecting the resources on which they depend and product innovation for the region may be possible, as in the local sustainable

organization cases. As well, attracting new tourists to a region via collaboration would be beneficial to all members of a local cluster and such visible benefit may encourage collaboration.

Networks need clear communication, time, money, encouragement and space to grow. Given the limited leadership in the sector, a government agency, the CTC or a local agency, may be the only viable candidate for beginning the process of building social capital. In fact throughout the world, governments are playing less of a tourism policy role and are increasingly involved in fostering the trust that creates social capital and mobilizes social forces and energy from all relevant stakeholders.⁴⁹ National tourism authorities throughout the world are becoming the unifying force, co-ordination the efforts of the different public-private sector players in the tourism industry.⁵⁰ As such, in the Canadian context it may be the time for the government to follow other nations' initiatives, and setting an industry lead vision, and assisting in building networks, collaboration, and trust in the Canadian tourism sector.

POTENTIAL FUTURE RESEARCH

This study was intended to be an exploratory introduction to the concepts of social capital and sustainability as they pertain to Canadian tourism. As noted earlier, response rates were very low, and the quality of responses were incomplete in many cases. As such, it is recommended that further attempts with a larger number of potential interviewees be conducted to confirm the findings presented in this report. As well, the low levels of responses and time constraints of interview candidates did not allow the researcher to pursue deeper questions of trust, reciprocity, cognitive aspects, and norms in this sector. The questions intended for such purposes are contained in Appendix 4, and may be useful if further studies are undertaken. As well, primary research was conducted mostly in the traditional segments, with sustainability segment information being derived from a multiplicity of secondary sources. As such it is also recommended that primary research be conducted to confirm the conclusions derived

as they relate to national and local sustainable organizations. As mentioned earlier, from the research conducted it was unclear if social capital is a precondition to sustainability initiatives or if the relationship is vice versa, and this could also be part of further research. Finally, the recommendations contained in this report are based on conclusions relating to what is lacking in the Canadian tourism segment. Studies on the feasibility of these ideas and others are recommended.

CONCLUSION

In conclusion, Canada is well positioned to meet tourist demand internationally in terms of its physical and natural capital. However, there is a serious lack of social capital in most tourism categories in the country. Social capital can be the foundation for product innovation, product cohesiveness, industry effectiveness and overall competitive positioning. Thus, the lack of social capital in Canadian tourism is concerning given the importance of tourism to economic and sustainable development. However, the CTC may be an important leader to help develop social capital at the national-wide level to develop a common tourism strategy. The diverse, vast and fragmented aspects of Canadian tourism will entail that regional and local governments could play a key role in empowering sector actors and developing the vision, trust, information sharing, and networks for social capital development. Limited research has been conducted in the area of social capital and tourism, especially in the Canadian context, and thus further studies are recommended.

APPENDIX 1

INTERVIEW GUIDE

Introduction:

- **Purpose:** *The purpose of this interview is for exploratory research into the structural quality of the Canadian tourist and travel industry with a view to assessing its ability to increase its international competitiveness through more direct brand association with social and environmental values.*
- **My background:** *an undergraduate student at the Schulich School of Business, York University.*
- The interview is designed to be a general discussion, with no right answers to any of the questions. I am interested in exploring the views of different members in the tourism industry.
- **Topic:** The tourism industry and how it works. Interested in the industry as a network and therefore to understand how an insider would collaborate with others in terms of meeting an overall national strategy. My objective is to understand how you and other members work together and I want to avoid making assumptions about the industry.
- Specifically, I'm interested in how an industry player such as yourself collaborates with others to create the Canadian Tourism Brand.
- **Permission to tape/Confidentiality:** Will not use name of individuals, will create a report that summarizes themes from interviews that will be share information with Professors, other students who are also bound by confidentiality requirements; may eventually use some information in a paper for publication and may want to use quotes.

Note:

There are two types of interview candidates: Private Associations and Official Appointed Members of the Canadian Tourism Commission (CTC), questions may vary depending on which candidate is interviewed. Thus, the symbol **A** beside a question means that the question will be posed to an Association, the symbol **MCTC** beside a question means that the question will be posed to a member of the CTC. Where both symbols appear the question is posed to both.

Questions:

- 1) Can you tell me a bit about your experience in the tourism industry? (**A, MCTC**)
 - How long?
 - In what capacity?
 - What is it like to work in the industry?
- 2) Is your association/sector represented at the CTC? (**A**)
 - Are you aware of any national branding strategy by the CTC?
 - In your opinion how important is the CTC in creating a Canadian Tourism product?
 - Has the CTC fostered collaboration within your association, and among associations?

APPENDIX 1 CONTINUED

- 3) What companies do you consider to be members of the tourism industry? Why? **(A, MCTC)**
 - structure of the industry e.g. size, “membership” characteristics or requirements, governmental role, association roles and individual company roles
- 4) Which companies play a critical role as members of the association? **(A, MCTC)**
 - Is it fragmented or are there a few key members?
 - Conditions for membership? Inclusive versus exclusive? Friendship? Reputation?
 - To what degree do social considerations and environmental concerns effect the operations/decisions of members in the association?
 - Which social and environmental issues effect the members the most?
- 5) To what degree do multiple perspectives and networks effect decision making and strategic direction in the industry?**(A, MCTC)**
- 6) Members of the tourism industry have worked together in a number of different ways. Can you describe some examples of issues that industry members have worked collectively on? **(A, MCTC)**
 - Which sectors tend to work together? Which sectors work against each other, if any?
 - Regulatory issues/ Legislation? - How have members lobbied government and for what purpose?
 - Have members worked together on a national strategy for Canada’s tourism product? Or is this process centralized?
 - Is there a model of how members work together?
 - Through which organizations/mechanisms do members work collectively?
- 8) Can you describe how a “typical” joint effort might play out? **(A, MCTC)**
 - Determination of whether industry will work together or not?
 - What are the characteristics of issues or opportunities that members see as “appropriate” for joint action? What are definitely “competitive” issues?
 - Who would initiate joint action?
 - How are things done? e.g. informal leadership and connections or through association such as CTC, how much consultation, how are decisions made?
 - Examples of unfavorable outcomes, why? What about something that went exceptionally well-why?
- 9) Can you describe a recent example of members of the industry working collectively that you were involved in? (if not, that you were aware of?) **(A, MCTC)**
 - How did it arise?

- Why did people decide to work together on that particular issue?

APPENDIX 1 CONTINUED

- Who became involved and what roles did they play? Who did not participate and why not?
 - How easy is it for members of the industry to work together? Why?
 - If it is no longer underway, how/why did it end?
 - Would you consider this a “typical” example?
 - Would you consider this a “success”, “failure” or something in between- why?
- 10) Can you imagine your industry developing a common strategy or approach to position itself within the global marketplace? (**A, MCTC**)
- Is this a feasible idea, why or why not?
 - If your industry could do this what would the strategy look like, focus on?
 - What would it take to make this happen?
- 11) In your opinion, what role has the CTC played in the tourism industry? (**A, MCTC**)
- How many members at different points in time? e.g. at a convention, on a committee; typical representation from which organizations? How is membership on committees decided?
 - How successful has it been in achieving its original purpose- why or why not?
 - Do you think the CTC has brought together the various sectors- accommodation, food and beverage, adventure and recreation, transportation, events and conference, attractions, travel trade, tourism service- for a joint national strategy?
- 12) How does your industry view “sustainability”?
- Is it important in this industry- why or why not?
 - What has the industry been doing regarding sustainability? How successful have these efforts been- why or why not?
 - Who has initiated efforts for sustainability? Why?

APPENDIX 2

STATISTICAL SUMMARIES OF PRIMARY RESEARCH

General Response Rates	
Published Contact Information Incorrect	12%
Directly not willing to participate	9%
No Public Contact Information	26%
Participated in Study	24%
No Replies- Indirectly Unwilling to Participate	29%

DETAILED BREAK DOWN OF RESPONSES

Published Contact Information Incorrect

Percentage of Key CTC Members	50%	Percentage of local traditional	50%
Percentage of Sector Associations	25%	Percentage of national traditional	50%
Percentage of Private Enterprises	25%	Percentage of local sustainable	0%
		Percentage of national sustainable	0%

Directly Not Willing to Participate

Key CTC Members	67%	Percentage of local traditional	33%
Government Agencies	33%	Percentage of national traditional	67%
Note this was a small sample of 3 people		Percentage of local sustainable	0%
		Percentage of national sustainable	0%

No Public Information Available

Key CTC Members	78%	Percentage of local traditional	44.4%
Government Agencies	22%	Percentage of national traditional	56%
Note all private companies had information available		Percentage of local sustainable	0%
		Percentage of national sustainable	0%

Replies

Key CTC Members	37.5%	Percentage of local traditional	63%
Associations	25%	Percentage of national traditional	25%
Private Sector	37.5%	Percentage of local sustainable	0%
		Percentage of national sustainable	13%

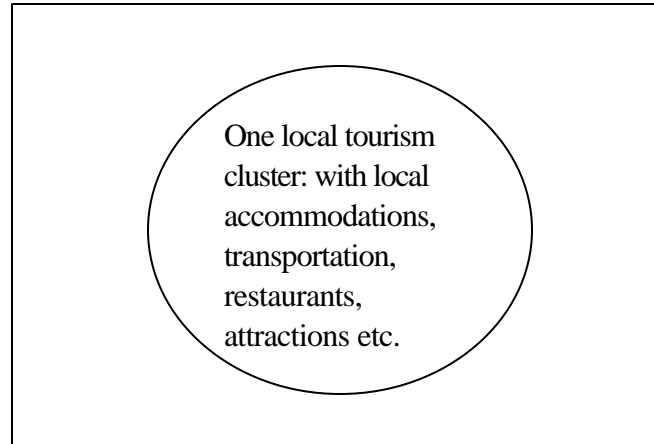
Indirectly Not Willing to Participate- No Replies

Key CTC Members	30%	Percentage of local traditional	40%
Associations	20%	Percentage of national traditional	40%
Government Agencies	20%	Percentage of local sustainable	10%
Private Companies	30%	Percentage of national sustainable	10%

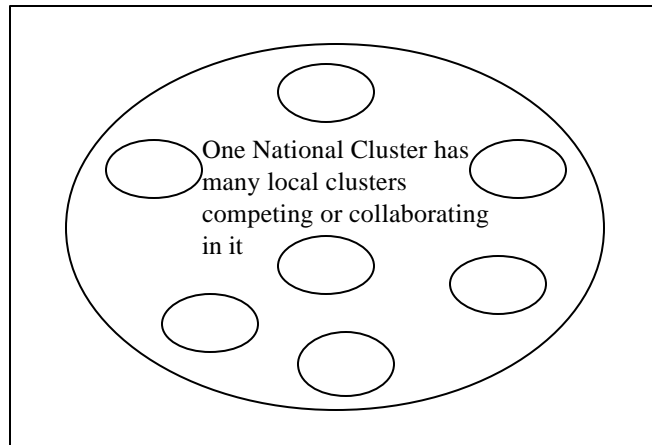
APPENDIX 3

MODEL OF TOURISM CLUSTERS

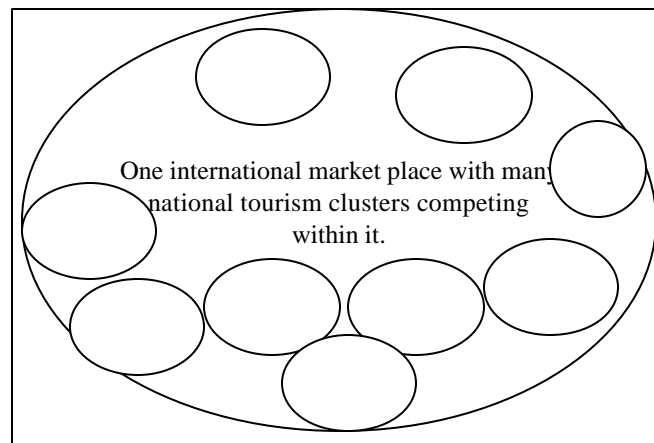
Local Cluster



National Cluster



International Cluster



APPENDIX 4

ADDITIONAL INTERVIEW QUESTIONS FOR FUTURE RESEARCH

- 1) Is there a general consensus among association members as to where the tourism industry should head? **(A, MCTC)**
 - Why or why not?
 - Have association members formally met to discuss the Canadian tourism product and how to develop it?
 - Through which communication mechanisms? Meetings? Conferences? Formally? Informal? Through whose initiatives?
- 2) Do the different sectors share a common opinion regarding the positioning strategy of Canada in the international tourism market? Why or why not? **(A, MCTC)**
 - Is there a shared understanding across associations of national goals and initiatives?
 - Which goals stand out as common? Which ones conflict?
 - Who sets these goals? How does that body agree on goals?
- 3) Which issues does the association believe are critical to the success of Canada as a tourism destination in the international market place? **(A, MCTC)**
 - Do all members agree, who does not agree and why?
 - In your opinion do other sector associations believe the same issues are critical to Canada's success? Why or why not?
- 4) Can you describe a recent example of members of the industry agreeing on a critical strategic issue that you were involved in? (if not, that you were aware of?) **(A, MCTC)**
 - How did it arise?
 - Would you consider this a "typical" example?
 - Can you describe a recent example of member of the industry having conflicting opinions on critical strategic issues that you were involved in?
- 5) Does the association support cross boundary information sharing? **(A, MCTC)**
 - How?
 - To what degree do members of the association share competitive information?
 - Is there a high level of collaboration or secrecy among members? Or somewhere in-between?
 - Is there a high level of trust among members? Why or why not?
- 6) To what degree do different associations engage in dialogue for information sharing, joint initiatives and collaboration? **(A, MCTC)**
 - Give a specific example of how
 - In your opinion is this facilitating or inhibiting member competitive advantage?

- Is there sustained contact among members and associations?

APPENDIX 12 CONTINUED

- 7) Are there any norms among association members and between associations? (**A, MCTC**)
 - Stated norms? Implicit norms?
 - What are these norms- specific examples?
 - Is there an ethics policy in place supported by these norms?
- 8) Do members of the association share a sense of reciprocity amongst each other and across other organizations? (**A, MCTC**)
 - Why or why not?
 - Among which members or organizations?
 - Specific examples, of your experience of reciprocity. With whom? About what? How did it play out?
- 9) In your opinion does the CTC emphasize learning and sharing among different sectors? (**A, MCTC**)
 - How?
 - Are associations participating as silos or cross-functional teams at the CTC?
 - Are there resources and time available for partnership development?
 - Is there a communication system in place?

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- ¹ Burton et al, pg.13
- ² Canadian Tourism Commission, Annual Report, pg. 3
- ³ Wight, pg. 1
- ⁴ Canadian Tourism Commission, Annual Report, pg. 3
- ⁵ Burton et al, pg.2
- ⁶ World Trade Organization, Public- Private Sector Cooperation, pg. 70
- ⁷ Cohen et al, pg.4
- ⁸ Abbott et al. pg. 21
- ⁹ Cohen et al pg. 56
- ¹⁰ Cohen et al, pg. 59
- ¹¹ Adapted from Burton et al pg. 145
- ¹² Adapted from Burton et al. pg. 7-9
- ¹³ McCool et al. pg. 27
- ¹⁴ Burton et al pg. 27
- ¹⁵ McCool et al, pg.3
- ¹⁶ Bramwell et al pg.21
- ¹⁷ Canadian Tourism Commission, Corporate Plan Summary, pg. 14
- ¹⁸ Buckley pg. 149
- ¹⁹ The above findings are based on 5 interviews conducted with individuals representing this segment as well as secondary sources such as publications, trade journals and academic studies.
- ²⁰ Halme et al, pg 97
- ²¹ Buckley et al, pg. 141-142
- ²² Buckley et al, pg. 141-142
- ²³ Canadian Tourism Commission, Annual Report, pg. 1
- ²⁴ Sage Research Corporation, pg. 3
- ²⁵ Sage Research Corporation, pg. 4
- ²⁶ Sage Research Corporation, pg. 22
- ²⁵ Adapted from Sage Research Corporation
- ²⁷ The CTC information database on its web site is considered a primary industry source for industry wide contact information. This source was used along with telephone calls to various associations to find the information of persons affiliated with the CTC executive committee. This committee intends to represent industry interests, however many executive committee members had incorrect phone numbers and e-mail addresses listed or unlisted at all. It is questionable why the contact information of industry representatives to the government is difficult to obtain.
- ²⁸ Wight, pg. 15
- ²⁹ Buckley et al. Pg. 143
- ³⁰ Buckley et al. pg.143
- ³¹ Parks Canada, pg. 1
- ³² Adapted from Wight
- ³⁴ Adapted from Wight
- ³⁵ www.sustainabletourism.ca
- ³⁶ www.sustainabletourism.ca
- ³⁷ WTO, pg.80
- ³⁸ Abbott et al pg. 10
- ³⁹ WTO, Public-Private Sector Cooperation, pg. 42
- ⁴⁰ Hamel et al pg. 102
- ⁴¹ Adapted from Tourism Canada pg. 10-12
- ⁴² Halme et al, pg 97
- ⁴³ WTO, Public-private Sector Cooperation, pg. 19
- ⁴⁴ Bramwell et al, pg. 130
- ⁴⁵ Bramwell et al pg 4
- ⁴⁶ Bramwell et al pg 44

⁴⁷ Bramwell et al pg. 148

⁴⁸ Adapted from Cohen et al.

⁴⁹ WTO, Public-private Sector Cooperation, pg. 9

⁵⁰ WTO, Public-private Sector Cooperation, pg. 11